



B.J. Duplantis
bduplantis@gordonarata.com

P.O. Box 81829 (Zip 70598-1829)
400 East Kaliste Saloom Road, Suite 4200
Lafayette, Louisiana 70508-8517
(337) 237-0132 • Fax (337) 237-3451
www.gordonarata.com

March 19, 2007

Ref: 4423-24071

Honorable James H. Welsh
Commissioner of Conservation
Post Office Box 94275
Baton Rouge, LA 70804-4275

Re: Hearing Application
Yeuga Zone, Reservoir A
PHOENIX LAKE FIELD
Calcasieu Parish, Louisiana
Applicant: Sterling Energy, Inc.

Dear Mr. Commissioner:

In accordance with the Rules of Procedure for Conducting Hearings Before the Commissioner of Conservation of the State of Louisiana, application is hereby made on behalf of **Sterling Energy, Inc.** for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the Yeuga Zone, Reservoir A, in the Phoenix Lake Field, Calcasieu Parish, Louisiana.

1. To create two (2) single drilling and production units of approximately 1280 acres each for the Yeuga Zone, Reservoir A, designated as the Y RA SUA and Y RA SUB, Phoenix Lake Field, Calcasieu Parish, Louisiana, all as shown more particularly on the attached plat;
2. To establish rules and regulations governing the exploration for and production of gas and condensate from the said units;
3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the units so created, with each tract sharing in units production on a surface acreage basis of participation;
4. To consider such other matters relating to the subject reservoirs as may be appropriate and justified by the evidence presented at the public hearing.

The Yegua Zone, Reservoir A in the Phoenix Lake Field, Calcasieu Parish, Louisiana, is hereby defined as being that gas and condensate bearing zone encountered between the depths of 14,040 feet and 16,850 feet (electrical log measurements) in the Atlantic Richfield Company -H. W. Hoffpauir No. 1 Well, located in Section 35, Township 10 South, Range 11 West, Calcasieu Parish, Louisiana.

In compliance with the Rules of Procedure for Conducting Hearings Before the Commissioner of Conservation of the State of Louisiana, a pre-application conference was held in Lafayette, Louisiana on March 19, 2007. Attached hereto and made a part hereof is a list of the names and addresses of the parties who were in attendance at that conference.

The conference was opened by Mr. B. J. Duplantis. Mr. Bill Robbins of W. H. Robbins & Associates presented the plan of applicant. Questions were asked and answered. It is not anticipated that there will be opposition at the public hearing on this matter.

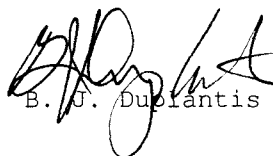
Attached hereto and made a part hereof is a plat outlining the Y RA SUA AND Y RA SUB, Phoenix Lake Field, Calcasieu Parish, Louisiana, and a list of the names and addresses of the interested owners, represented parties and interested parties to whom this notice is being sent. It is hereby certified that a reasonable effort was made to ascertain the names and addresses of all interested owners, represented parties and interested parties.

A copy of the list of the names and addresses of the interested owners, represented parties and interested parties is not being mailed to those parties along with this application. Should any such party desire a copy of this list, however, we will be glad to provide one upon request.

Any pertinent data relating to the proposed units can be obtained, AT THE COST OF THE REQUESTING PARTY, from Mr. Bill Robbins of W. H. Robbins & Associates, 302 La Rue France, Suite 100, Lafayette, LA 70508 (337) 232-5004.

Finally, there is enclosed herewith our check on behalf of the applicant in the amount of \$755.00, made payable to the Office of Conservation, representing the required hearing application fee.

Very truly yours,



B. J. Duplantis

BJD/ht

Attachments

cc: Mr. Richard D. Hudson
District Manager, Office of Conservation

All Interested Owners, Represented Parties and
Interested Parties

